



## Senate

General Assembly

**File No. 483**

January Session, 2013

Substitute Senate Bill No. 900

*Senate, April 15, 2013*

The Committee on Government Administration and Elections reported through SEN. MUSTO of the 22nd Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

### ***AN ACT CONCERNING REVISIONS TO THE STATE CODES OF ETHICS.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 1-79 of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective October 1, 2013*):

3 The following terms, when used in this part, [shall] have the  
4 following meanings unless the context otherwise requires:

5 [(a)] (1) "Blind trust" means a trust established by a public official or  
6 state employee or member of his or her immediate family for the  
7 purpose of divestiture of all control and knowledge of assets.

8 [(b)] (2) "Business with which he is associated" means any sole  
9 proprietorship, partnership, firm, corporation, trust or other entity  
10 through which business for profit or not for profit is conducted in  
11 which the public official or state employee or member of his or her  
12 immediate family is a director, officer, owner, limited or general

13 partner, beneficiary of a trust or holder of stock constituting five per  
14 cent or more of the total outstanding stock of any class, provided, a  
15 public official or state employee, or member of his or her immediate  
16 family, shall not be deemed to be associated with a not for profit entity  
17 solely by virtue of the fact that the public official or state employee or  
18 member of his or her immediate family is an unpaid director or officer  
19 of the not for profit entity. "Officer" refers only to the president,  
20 executive or senior vice president or treasurer of such business.

21 [(c)] (3) "Candidate for public office" means any individual who has  
22 filed a declaration of candidacy or a petition to appear on the ballot for  
23 election as a public official, or who has raised or expended money in  
24 furtherance of such candidacy, or who has been nominated for  
25 appointment to serve as a public official, but [shall] does not include a  
26 candidate for the office of senator or representative in Congress.

27 [(d)] (4) "Board" means the Citizen's Ethics Advisory Board  
28 established in section 1-80, as amended by this act.

29 [(e)] (5) "Gift" means anything of value, which is directly and  
30 personally received, unless consideration of equal or greater value is  
31 given in return. "Gift" [shall] does not include:

32 [(1)] (A) A political contribution otherwise reported as required by  
33 law or a donation or payment as described in subdivision (9) or (10) of  
34 subsection (b) of section 9-601a;

35 [(2)] (B) Services provided by persons volunteering their time, if  
36 provided to aid or promote the success or defeat of any political party,  
37 any candidate or candidates for public office or the position of  
38 convention delegate or town committee member or any referendum  
39 question;

40 [(3)] (C) A commercially reasonable loan made on terms not more  
41 favorable than loans made in the ordinary course of business;

42 [(4)] (D) A gift received from [(A)] (i) an individual's spouse, fiancé  
43 or fiancée, [(B)] (ii) the parent, brother or sister of such spouse or such

44 individual, or [(C)] (iii) the child of such individual or the spouse of  
45 such child;

46 [(5)] (E) Goods or services [(A) which] (i) that are provided to a state  
47 agency or quasi-public agency [(i)] (I) for use on state or quasi-public  
48 agency property, or [(ii)] (II) that support an event or the participation  
49 by a public official or state employee at an event, and [(B) which] (ii)  
50 that facilitate state or quasi-public agency action or functions. As used  
51 in this [subdivision] subparagraph, "state property" means [(i)]  
52 property owned by the state or a quasi-public agency [.] or [(ii)]  
53 property leased to a state agency or quasi-public agency;

54 [(6)] (F) A certificate, plaque or other ceremonial award costing less  
55 than one hundred dollars;

56 [(7)] (G) A rebate, discount or promotional item available to the  
57 general public;

58 [(8)] (H) Printed or recorded informational material germane to  
59 state action or functions;

60 [(9)] (I) Food or beverage or both, costing less than fifty dollars in  
61 the aggregate per recipient in a calendar year, and consumed on an  
62 occasion or occasions at which the person paying, directly or  
63 indirectly, for the food or beverage, or his representative, is in  
64 attendance;

65 [(10)] (J) Food or beverage or both, costing less than fifty dollars per  
66 person and consumed at a publicly noticed legislative reception to  
67 which all members of the General Assembly are invited and which is  
68 hosted not more than once in any calendar year by a lobbyist or  
69 business organization. For the purposes of such limit, [(A)] (i) a  
70 reception hosted by a lobbyist who is an individual shall be deemed to  
71 have also been hosted by the business organization which [he] such  
72 lobbyist owns or is employed by, and [(B)] (ii) a reception hosted by a  
73 business organization shall be deemed to have also been hosted by all  
74 owners and employees of the business organization who are lobbyists.

75 In making the calculation for the purposes of such fifty-dollar limit, the  
76 donor shall divide the amount spent on food and beverage by the  
77 number of persons whom the donor reasonably expects to attend the  
78 reception;

79 [(11)] (K) Food or beverage or both, costing less than fifty dollars per  
80 person and consumed at a publicly noticed reception to which all  
81 members of the General Assembly from a region of the state are  
82 invited and which is hosted not more than once in any calendar year  
83 by a lobbyist or business organization. For the purposes of such limit,  
84 [(A)] (i) a reception hosted by a lobbyist who is an individual shall be  
85 deemed to have also been hosted by the business organization which  
86 [he] such lobbyist owns or is employed by, and [(B)] (ii) a reception  
87 hosted by a business organization shall be deemed to have also been  
88 hosted by all owners and employees of the business organization who  
89 are lobbyists. In making the calculation for the purposes of such fifty-  
90 dollar limit, the donor shall divide the amount spent on food and  
91 beverage by the number of persons whom the donor reasonably  
92 expects to attend the reception. As used in this [subdivision]  
93 subparagraph, "region of the state" means the established geographic  
94 service area of the organization hosting the reception;

95 [(12)] (L) A gift, including, but not limited to, food or beverage or  
96 both, provided by an individual for the celebration of a major life  
97 event, provided any such gift provided by an individual who is not a  
98 member of the family of the recipient [shall] does not exceed one  
99 thousand dollars in value;

100 [(13)] (M) Gifts costing less than one hundred dollars in the  
101 aggregate or food or beverage provided at a hospitality suite at a  
102 meeting or conference of an interstate legislative association, by a  
103 person who is not a registrant or is not doing business with the state of  
104 Connecticut;

105 [(14)] (N) Admission to a charitable or civic event, including food  
106 and beverage provided at such event, but excluding lodging or travel  
107 expenses, at which a public official or state employee participates in

108 his or her official capacity, provided such admission is provided by the  
109 primary sponsoring entity;

110 [(15)] (O) Anything of value provided by an employer of [(A)] (i) a  
111 public official, [(B)] (ii) a state employee, or [(C)] (iii) a spouse of a  
112 public official or state employee, to such official, employee or spouse,  
113 provided such benefits are customarily and ordinarily provided to  
114 others in similar circumstances;

115 [(16)] (P) Anything having a value of not more than ten dollars,  
116 provided the aggregate value of all things provided by a donor to a  
117 recipient under this subdivision in any calendar year [shall] does not  
118 exceed fifty dollars;

119 [(17)] (Q) Training that is provided by a vendor for a product  
120 purchased by a state or quasi-public agency [which] that is offered to  
121 all customers of such vendor; or

122 [(18)] (R) Travel expenses, lodging, food, beverage and other  
123 benefits customarily provided by a prospective employer, when  
124 provided to a student at a public institution of higher education whose  
125 employment is derived from such student's status as a student at such  
126 institution, in connection with bona fide employment discussions.

127 [(f)] (6) "Immediate family" means any spouse, children or  
128 dependent relatives who reside in the individual's household.

129 [(g)] (7) "Individual" means a natural person.

130 [(h)] (8) "Member of an advisory board" means any individual [(1)]  
131 (A) appointed by a public official as an advisor or consultant or  
132 member of a committee, commission or council established to advise,  
133 recommend or consult with a public official or branch of government  
134 or committee thereof, [(2)] (B) who receives no public funds other than  
135 per diem payments or reimbursement for his or her actual and  
136 necessary expenses incurred in the performance of his or her official  
137 duties, and [(3)] (C) who has no authority to expend any public funds  
138 or to exercise the power of the state.

139 [(i)] (9) "Person" means an individual, sole proprietorship, trust,  
140 corporation, limited liability company, union, association, firm,  
141 partnership, committee, club or other organization or group of  
142 persons.

143 [(j)] (10) "Political contribution" has the same meaning as in section  
144 9-601a except that for purposes of this part, the provisions of  
145 subsection (b) of [that] said section shall not apply.

146 [(k)] (11) "Public official" means any state-wide elected officer, any  
147 member or member-elect of the General Assembly, any person  
148 appointed to any office of the legislative, judicial or executive branch  
149 of state government by the Governor or an appointee of the Governor,  
150 with or without the advice and consent of the General Assembly, any  
151 public member or representative of the teachers' unions or state  
152 employees' unions appointed to the Investment Advisory Council  
153 pursuant to subsection (a) of section 3-13b, any person appointed or  
154 elected by the General Assembly or by any member of either house  
155 thereof, any member or director of a quasi-public agency and the  
156 spouse of the Governor, but [shall] does not include a member of an  
157 advisory board, a judge of any court either elected or appointed or a  
158 senator or representative in Congress.

159 [(l)] (12) "Quasi-public agency" means Connecticut Innovations,  
160 Incorporated, and the Connecticut Health and Education Facilities  
161 Authority, Connecticut Higher Education Supplemental Loan  
162 Authority, Connecticut Housing Finance Authority, [Connecticut]  
163 State Housing Authority, Connecticut Resources Recovery Authority,  
164 Lower Fairfield County Convention Center Authority, Capital Region  
165 Development Authority, Connecticut Lottery Corporation, Connecticut  
166 Airport Authority, Health Information Technology Exchange of  
167 Connecticut, Connecticut Health Insurance Exchange and Clean  
168 Energy Finance and Investment Authority.

169 [(m)] (13) "State employee" means any employee in the executive,  
170 legislative or judicial branch of state government, whether in the  
171 classified or unclassified service and whether full or part-time, and any

172 employee of a quasi-public agency, but [shall] does not include a judge  
173 of any court, either elected or appointed.

174 [(n)] (14) "Trust" means a trust in which any public official or state  
175 employee or member of his immediate family has a present or future  
176 interest which exceeds ten per cent of the value of the trust or exceeds  
177 fifty thousand dollars, whichever is less, but [shall] does not include  
178 blind trusts.

179 [(o)] (15) "Business organization" means a sole proprietorship,  
180 corporation, limited liability company, association, firm or partnership,  
181 other than a client lobbyist, [which] that is owned by, or employs, one  
182 or more individual lobbyists.

183 [(p)] (16) "Client lobbyist" means a [person] lobbyist on behalf of  
184 whom lobbying takes place and who makes expenditures for lobbying  
185 and in furtherance of lobbying.

186 [(q)] (17) "Necessary expenses" means a public official's or state  
187 employee's expenses for an article, appearance or speech or for  
188 participation at an event, in his official capacity, which shall be limited  
189 to necessary travel expenses, lodging for the nights before, of and after  
190 the appearance, speech or event, meals and any related conference or  
191 seminar registration fees.

192 [(r)] (18) "Lobbyist" and "registrant" shall be construed as defined in  
193 section 1-91, as amended by this act.

194 [(s)] (19) "Legal defense fund" means a fund established for the  
195 payment of legal expenses of a public official or state employee  
196 incurred as a result of defending himself or herself in an  
197 administrative, civil, criminal or constitutional proceeding concerning  
198 matters related to the official's or employee's service or employment  
199 with the state or a quasi-public agency.

200 [(t)] (20) "State agency" means any office, department, board,  
201 council, commission, institution, constituent unit of the state system of  
202 higher education, technical high school or other agency in the

203 executive, legislative or judicial branch of state government.

204 Sec. 2. Subsection (a) of section 1-80 of the general statutes is  
205 repealed and the following is substituted in lieu thereof (*Effective from*  
206 *passage*):

207 (a) There shall be established, within the Office of Governmental  
208 Accountability established under section 1-300, an Office of State  
209 Ethics. Said office shall consist of an executive director, general  
210 counsel, ethics enforcement officer and such other staff as hired by the  
211 executive director. Within the Office of State Ethics, there shall be the  
212 Citizen's Ethics Advisory Board that shall consist of nine members,  
213 appointed as follows: One member shall be appointed by the speaker  
214 of the House of Representatives, one member by the president pro  
215 tempore of the Senate, one member by the majority leader of the  
216 Senate, one member by the minority leader of the Senate, one member  
217 by the majority leader of the House of Representatives, one member by  
218 the minority leader of the House of Representatives, and three  
219 members by the Governor. Members of the board [shall serve for four-  
220 year terms which shall commence on October 1, 2005, except that  
221 members] first appointed for a term commencing October 1, 2005, shall  
222 have the following terms: The Governor shall appoint two members  
223 for a term of three years and one member for a term of four years; the  
224 majority leader of the House of Representatives, minority leader of the  
225 House of Representatives and the speaker of the House of  
226 Representatives shall each appoint one member for a term of two  
227 years; and the president pro tempore of the Senate, the majority leader  
228 of the Senate and the minority leader of the Senate shall each appoint  
229 one member for a term of four years. The term commencing October 1,  
230 2009, for the member appointed by the Governor and the member  
231 appointed by the president pro tempore of the Senate shall be five  
232 years. Upon the expiration of such members' five-year terms, such  
233 members may not be reappointed. Any member appointed for a term  
234 commencing on or after October 1, 2014, shall serve for a term of four  
235 years. No individual shall be appointed to more than one four-year or  
236 five-year term as a member of the board, provided, members may not



237 continue in office [once] after their term has expired and members first  
238 appointed may not be reappointed. No more than five members shall  
239 be members of the same political party. The members appointed by the  
240 majority leader of the Senate and the majority leader of the House of  
241 Representatives shall be selected from a list of nominees proposed by a  
242 citizen group having an interest in ethical government. The majority  
243 leader of the Senate and the majority leader of the House of  
244 Representatives shall each determine the citizen group from which  
245 each will accept such nominations. One member appointed by the  
246 Governor shall be selected from a list of nominees proposed by a  
247 citizen group having an interest in ethical government. The Governor  
248 shall determine the citizen group from which the Governor will accept  
249 such nominations.

250 Sec. 3. Subsection (b) of section 1-80 of the general statutes is  
251 repealed and the following is substituted in lieu thereof (*Effective*  
252 *October 1, 2013*):

253 (b) All members shall be electors of the state. No member shall be a  
254 state employee. No member or employee of [such] said board shall (1)  
255 hold or campaign for any public office; (2) have held public office or  
256 have been a candidate for public office for a three-year period prior to  
257 appointment; (3) hold office in any political party or political  
258 committee or be a member of any organization or association  
259 organized primarily for the purpose of influencing legislation or  
260 decisions of public agencies; or (4) be an individual who is a registrant  
261 as defined in [subsection (q)] subdivision (17) of section 1-91, as  
262 amended by this act. For purposes of this subsection, "public office"  
263 does not include the offices of justice of the peace or notary public.

264 Sec. 4. Subsection (d) of section 1-80 of the general statutes is  
265 repealed and the following is substituted in lieu thereof (*Effective*  
266 *October 1, 2013*):

267 (d) The board shall elect a chairperson who shall, except as  
268 provided in subsection (b) of section 1-82 and subsection (b) of section  
269 1-93, preside at meetings of the board and a vice-chairperson to

270 preside in the absence of the chairperson. Six members of the board  
271 shall constitute a quorum. Except as provided in subdivision (3) of  
272 subsection (a) of section 1-81, as amended by this act, subsections (a)  
273 and (b) of section 1-82, subsection (b) of section 1-88, [subdivision (5)]  
274 subsection (e) of section 1-92, as amended by this act, subsections (a)  
275 and (b) of section 1-93 and subsection (b) of section 1-99, a majority  
276 vote of the members shall be required for action of the board. The  
277 chairperson or any three members may call a meeting.

278 Sec. 5. Subsection (k) of section 1-80 of the general statutes is  
279 repealed and the following is substituted in lieu thereof (*Effective*  
280 *October 1, 2013*):

281 (k) No former member of the board may represent any business or  
282 person, other than himself or herself, before the board for a period of  
283 one year following the end of such former member's service on the  
284 board. No business or person that appears before the board shall  
285 employ or otherwise engage the services of a former member of the  
286 board for a period of one year following the end of such former  
287 member's service on the board.

288 Sec. 6. Section 1-81 of the general statutes is repealed and the  
289 following is substituted in lieu thereof (*Effective October 1, 2013*):

290 (a) The board and general counsel and staff of the Office of State  
291 Ethics shall:

292 (1) Compile and maintain an index of all reports, advisory opinions,  
293 informal staff letters, memoranda issued in accordance with subsection  
294 (b) of section 1-82 and statements filed by and with the Office of State  
295 Ethics to facilitate public access to such reports and advisory opinions,  
296 informal staff letters, memoranda statements as provided by this part;

297 (2) Preserve advisory opinions and informal staff letters,  
298 permanently; preserve memoranda issued in accordance with  
299 subsection (b) of section 1-82 and statements and reports filed by and  
300 with the board for a period of five years from the date of receipt;

301 (3) Upon the concurring vote of a majority of the board present and  
302 voting, issue advisory opinions with regard to the requirements of this  
303 part or part IV of this chapter, upon the request of any person subject  
304 to the provisions of this part or part IV of this chapter, and publish  
305 such advisory opinions in the Connecticut Law Journal. Advisory  
306 opinions rendered by the board, until amended or revoked, shall be  
307 binding on the board and shall be deemed to be final decisions of the  
308 board for purposes of appeal to the superior court, in accordance with  
309 the provisions of section 4-175 or 4-183. Any advisory opinion  
310 concerning the person who requested the opinion and who acted in  
311 reliance thereon, in good faith, shall be binding upon the board, and it  
312 shall be an absolute defense in any criminal action brought under the  
313 provisions of this part or part IV of this chapter, that the accused acted  
314 in reliance upon such advisory opinion;

315 (4) Respond to inquiries and provide advice regarding the code of  
316 ethics either verbally or through informal letters;

317 (5) Provide yearly training to all state employees regarding the code  
318 of ethics;

319 (6) Make legislative recommendations to the General Assembly and  
320 report annually, [prior to April] not later than February fifteenth, to the  
321 Governor summarizing the activities of the [commission;] Office of  
322 State Ethics; and

323 (7) Meet not less than once per month with the office's executive  
324 director and ethics enforcement officer, [; and]

325 [(8)] (b) The [commission] Office of State Ethics may enter into such  
326 contractual agreements as may be necessary for the discharge of its  
327 duties, within the limits of its appropriated funds and in accordance  
328 with established procedures.

329 [(b)] (c) The Office of State Ethics shall employ an executive director,  
330 general counsel and ethics enforcement officer, each of whom shall be  
331 exempt from classified state service. The salary for the executive

332 director, general counsel and the ethics enforcement officer shall be  
333 determined by the Commissioner of Administrative Services in  
334 accordance with accepted personnel practices. No one person may  
335 serve in more than one of the positions described in this subsection.  
336 The Office of State Ethics may employ necessary staff within available  
337 appropriations. Such necessary staff of the Office of State Ethics shall  
338 be in classified state service.

339 [(c)] (d) The executive director, described in subsection [(b)] (c) of  
340 this section, shall be appointed by the Citizen's Ethics Advisory Board  
341 for an open-ended term. Such appointment shall not be made until all  
342 the initial board members appointed to terms commencing on October  
343 1, 2005, are appointed by their respective appointing authorities,  
344 pursuant to subsection (a) of section 1-80, as amended by this act. The  
345 board shall annually evaluate the performance of the executive  
346 director, in writing, and may remove the executive director, in  
347 accordance with the provisions of chapter 67.

348 [(d)] (e) The general counsel and ethics enforcement officer  
349 described in subsection [(b)] (c) of this section, and other staff of the  
350 Office of State Ethics shall be appointed by the executive director of the  
351 Office of State Ethics. The executive director shall annually evaluate  
352 the performance of the general counsel, ethics enforcement officer and  
353 such other staff, in writing, and may remove the general counsel or  
354 ethics enforcement officer, in accordance with the provisions of  
355 chapter 67, or such other staff, in accordance with any applicable  
356 collective bargaining agreement.

357 [(e)] (f) There shall be a legal division within the Office of State  
358 Ethics. The legal division shall provide the board with legal advice on  
359 matters before said board and shall represent the board in all matters  
360 in which the board is a party, without the assistance of the Attorney  
361 General unless the board requests such assistance. The legal division  
362 shall, under the direction of the general counsel, provide information  
363 and written and verbal opinions to persons subject to the code and to  
364 the general public. The general counsel, described in subsection [(b)]

365 (c) of this section, shall supervise such division. The investigation or  
366 instigation of a complaint may not occur solely because of information  
367 received by the legal division.

368 ~~[(f)]~~ (g) There shall be an enforcement division within the Office of  
369 State Ethics. The enforcement division shall be responsible for  
370 investigating complaints brought to or by the board. The ethics  
371 enforcement officer, described in subsection ~~[(b)]~~ (c) of this section,  
372 shall supervise the enforcement division. The enforcement division  
373 shall employ such attorneys and investigators, as necessary, within  
374 available appropriations, and may refer matters to the office of the  
375 Chief State's Attorney, as appropriate.

376 ~~[(g)]~~ (h) The Citizen's Ethics Advisory Board shall adopt regulations  
377 in accordance with chapter 54 to carry out the purposes of this part.  
378 Such regulations shall not be deemed to govern the conduct of any  
379 judge trial referee in the performance of such judge trial referee's  
380 duties pursuant to this chapter.

381 ~~[(h) In]~~ (i) The general counsel shall, in consultation with the  
382 executive director of the Office of State Ethics, ~~[the general counsel~~  
383 ~~shall]~~ oversee yearly training of all state personnel in the code of ethics,  
384 provide training on the code of ethics to other individuals or entities  
385 subject to the code and shall make recommendations as to public  
386 education regarding ethics.

387 Sec. 7. Subsection (e) of section 1-82 of the general statutes is  
388 repealed and the following is substituted in lieu thereof (*Effective from*  
389 *passage*):

390 (e) No person shall take or threaten to take official action against an  
391 individual for such individual's disclosure of information to the board  
392 or the general counsel, ethics enforcement officer or staff of the Office  
393 of State Ethics under the provisions of this part or section 1-101nn.  
394 After receipt of information from an individual under the provisions of  
395 this part or section 1-101nn, the Office of State Ethics shall not disclose  
396 the identity of such individual without such individual's consent

397 unless the Office of State Ethics determines that such disclosure is  
398 unavoidable during the course of an investigation. No person shall be  
399 subject to civil liability for any good faith disclosure that such person  
400 makes to the [commission] Office of State Ethics.

401 Sec. 8. Subsection (a) of section 1-83 of the general statutes is  
402 repealed and the following is substituted in lieu thereof (*Effective*  
403 *October 1, 2013*):

404 (a) (1) All state-wide elected officers, members of the General  
405 Assembly, department heads and their deputies, members of the  
406 Gaming Policy Board, members or directors of each quasi-public  
407 agency, members of the Investment Advisory Council, state marshals  
408 and such members of the Executive Department and such employees  
409 of quasi-public agencies as the Governor shall require, shall file, under  
410 penalty of false statement, a statement of financial interests for the  
411 preceding calendar year with the Office of State Ethics on or before the  
412 May first next in any year in which they hold such [a] an office or  
413 position. If, in any year, May first falls on a weekend or legal holiday,  
414 such statement shall be filed not later than the next business day. Any  
415 such individual who leaves his or her office or position shall file a  
416 statement of financial interests covering that portion of the year during  
417 which such individual held his or her office or position. The Office of  
418 State Ethics shall notify such individuals of the requirements of this  
419 subsection not later than thirty days after their departure from such  
420 office or position. Such individuals shall file such statement [within]  
421 not later than sixty days after receipt of the notification.

422 (2) Each state agency, department, board and commission shall  
423 develop and implement, in cooperation with the Office of State Ethics,  
424 an ethics statement as it relates to the mission of the agency,  
425 department, board or commission. The executive head of each such  
426 agency, department, board or commission shall be directly responsible  
427 for the development and enforcement of such ethics statement and  
428 shall file a copy of such ethics statement with the Department of  
429 Administrative Services and the Office of State Ethics.

430 Sec. 9. Subsection (j) of section 1-84 of the general statutes is  
431 repealed and the following is substituted in lieu thereof (*Effective*  
432 *October 1, 2013*):

433 (j) No public official, state employee or candidate for public office,  
434 or a member of any such person's staff or immediate family shall  
435 knowingly accept any gift, as defined in [subsection (e)] subdivision (5)  
436 of section 1-79, as amended by this act, from a person known to be a  
437 registrant or anyone known to be acting on behalf of a registrant.

438 Sec. 10. Subsection (m) of section 1-84 of the general statutes is  
439 repealed and the following is substituted in lieu thereof (*Effective*  
440 *October 1, 2013*):

441 (m) No public official or state employee shall knowingly accept,  
442 directly or indirectly, any gift, as defined in [subsection (e)]  
443 subdivision (5) of section 1-79, as amended by this act, from any  
444 person the public official or state employee knows or has reason to  
445 know: (1) Is doing business with or seeking to do business with the  
446 department or agency in which the public official or state employee is  
447 employed; (2) is engaged in activities which are directly regulated by  
448 such department or agency; or (3) is prequalified under section 4a-100.  
449 No person shall knowingly give, directly or indirectly, any gift or gifts  
450 in violation of this provision. For the purposes of this subsection, the  
451 exclusion to the term "gift" in [subdivision (12) of subsection (e)]  
452 subparagraph (L) of subdivision (5) of section 1-79, as amended by this  
453 act, for a gift for the celebration of a major life event shall not apply.  
454 Any person prohibited from making a gift under this subsection shall  
455 report to the Office of State Ethics any solicitation of a gift from such  
456 person by a state employee or public official.

457 Sec. 11. Subsection (q) of section 1-84 of the general statutes is  
458 repealed and the following is substituted in lieu thereof (*Effective from*  
459 *passage*):

460 (q) No public official or state employee shall intentionally counsel,  
461 authorize or otherwise sanction action that violates any provision of

462 this part.

463 Sec. 12. Section 1-84c of the general statutes is repealed and the  
464 following is substituted in lieu thereof (*Effective October 1, 2013*):

465 Nothing in this chapter shall prohibit the donation of goods or  
466 services, as described in [subdivision (5) of subsection (e)]  
467 subparagraph (E) of subdivision (5) of section 1-79, as amended by this  
468 act, to a state agency or quasi-public agency, the donation of the use of  
469 facilities to facilitate state agency or quasi-public agency action or  
470 functions or the donation of real property to a state agency or quasi-  
471 public agency. As used in this section, "state agency" and "quasi-public  
472 agency" have the same meanings as provided in section 1-79, as  
473 amended by this act.

474 Sec. 13. Subsection (d) of section 1-88 of the general statutes is  
475 repealed and the following is substituted in lieu thereof (*Effective*  
476 *October 1, 2013*):

477 (d) Any person who knowingly acts in such person's financial  
478 interest in violation of section 1-84, as amended by this act, 1-85, 1-86,  
479 [or] 1-86d, 1-86e or 1-101nn or any person who knowingly receives a  
480 financial advantage resulting from a violation of any of said sections  
481 shall be liable for damages in the amount of such advantage. If the  
482 board determines that any person may be so liable, it shall  
483 immediately inform the Attorney General of that possibility.

484 Sec. 14. Section 1-91 of the general statutes is repealed and the  
485 following is substituted in lieu thereof (*Effective October 1, 2013*):

486 When used in this part, unless the context otherwise requires:

487 [(a)] (1) "Administrative action" means any action or nonaction of  
488 any executive agency of the state with respect to the proposal, drafting,  
489 development, consideration, amendment, adoption or repeal of any  
490 rule, regulation or utility rate, and any action or nonaction of any  
491 executive agency or quasi-public agency, as defined in section 1-79, as  
492 amended by this act, regarding a contract, grant, award, purchasing



493 agreement, loan, bond, certificate, license, permit or any other matter  
494 which is within the official jurisdiction or cognizance of such an  
495 agency.

496 [(b)] (2) "Candidate for public office" means any person who has  
497 filed a declaration of candidacy or a petition to appear on the ballot for  
498 election as a public official, or who has raised or expended money in  
499 furtherance of such candidacy, or who has been nominated for  
500 appointment to serve as a public official; but [shall] does not include a  
501 candidate for the office of senator or representative in Congress.

502 [(c)] (3) "Board" means the Citizen's Ethics Advisory Board  
503 established under section 1-80, as amended by this act.

504 [(d)] (4) "Compensation" means any value received or to be received  
505 by a person acting as a lobbyist, whether in the form of a fee, salary or  
506 forbearance.

507 [(e)] (5) "Executive agency" means a commission, board, agency, or  
508 other body or official in the executive branch of the state government  
509 and any independent body of the state government that is not a part of  
510 the legislative or judicial branch.

511 [(f)] (6) "Expenditure" means any advance, conveyance, deposit,  
512 distribution, transfer of funds, loan, payment, unless expressly  
513 excluded; any payments for telephone, mailing, postage, printing and  
514 other clerical or office services and materials; any paid  
515 communications, costing fifty dollars or more in any calendar year,  
516 disseminated by means of any printing, broadcasting or other  
517 medium, provided such communications refer to pending  
518 administrative or legislative action; any contract, agreement, promise  
519 or other obligation; any solicitation or solicitations, costing fifty dollars  
520 or more in the aggregate for any calendar year, of other persons to  
521 communicate with a public official or state employee for the purpose  
522 of influencing any legislative or administrative act and any pledge,  
523 subscription of money or anything of value. "Expenditure" [shall] does  
524 not include the payment of a registrant's fee pursuant to section 1-95,

525 as amended by this act, any expenditure made by any club, committee,  
526 partnership, organization, business, union, association or corporation  
527 for the purpose of publishing a newsletter or other release to its  
528 members, shareholders or employees, or contributions, membership  
529 dues or other fees paid to associations, nonstock corporations or tax-  
530 exempt organizations under Section 501(c) of the Internal Revenue  
531 Code of 1986, or any subsequent corresponding internal revenue code  
532 of the United States, as from time to time amended.

533 [(g)] (Z) "Gift" means anything of value, which is directly and  
534 personally received, unless consideration of equal or greater value is  
535 given in return. "Gift" [shall] does not include:

536 [(1)] (A) A political contribution otherwise reported as required by  
537 law or a donation or payment described in subdivision (9) or (10) of  
538 subsection (b) of section 9-601a;

539 [(2)] (B) Services provided by persons volunteering their time, if  
540 provided to aid or promote the success or defeat of any political party,  
541 any candidate or candidates for public office or the position of  
542 convention delegate or town committee member or any referendum  
543 question;

544 [(3)] (C) A commercially reasonable loan made on terms not more  
545 favorable than loans made in the ordinary course of business;

546 [(4)] (D) A gift received from [(A)] (i) the individual's spouse, fiancé  
547 or fiancée, [(B)] (ii) the parent, brother or sister of such spouse or such  
548 individual, or [(C)] (iii) the child of such individual or the spouse of  
549 such child;

550 [(5)] (E) Goods or services [(A) which] (i) that are provided to a state  
551 agency or quasi-public agency [(i)] (I) for use on state or quasi-public  
552 agency property, or [(ii)] (II) that support an event or the participation  
553 by a public official or state employee at an event, and [(B) which] (ii)  
554 that facilitate state or quasi-public agency action or functions. As used  
555 in this [subdivision] subparagraph, "state property" means [(i)]

556 property owned by the state or a quasi-public agency [.] or [(ii)]  
557 property leased to a state or quasi-public agency;

558 [(6)] (F) A certificate, plaque or other ceremonial award costing less  
559 than one hundred dollars;

560 [(7)] (G) A rebate, discount or promotional item available to the  
561 general public;

562 [(8)] (H) Printed or recorded informational material germane to  
563 state action or functions;

564 [(9)] (I) Food or beverage or both, costing less than fifty dollars in  
565 the aggregate per recipient in a calendar year, and consumed on an  
566 occasion or occasions at which the person paying, directly or  
567 indirectly, for the food or beverage, or his representative, is in  
568 attendance;

569 [(10)] (J) Food or beverage or both, costing less than fifty dollars per  
570 person and consumed at a publicly noticed legislative reception to  
571 which all members of the General Assembly are invited and which is  
572 hosted not more than once in any calendar year by a lobbyist or  
573 business organization. For the purposes of such limit, [(A)] (i) a  
574 reception hosted by a lobbyist who is an individual shall be deemed to  
575 have also been hosted by the business organization which he owns or  
576 is employed by, and [(B)] (ii) a reception hosted by a business  
577 organization shall be deemed to have also been hosted by all owners  
578 and employees of the business organization who are lobbyists. In  
579 making the calculation for the purposes of such fifty-dollar limit, the  
580 donor shall divide the amount spent on food and beverage by the  
581 number of persons whom the donor reasonably expects to attend the  
582 reception;

583 [(11)] (K) Food or beverage or both, costing less than fifty dollars per  
584 person and consumed at a publicly noticed reception to which all  
585 members of the General Assembly from a region of the state are  
586 invited and which is hosted not more than once in any calendar year

587 by a lobbyist or business organization. For the purposes of such limit,  
588 [(A)] (i) a reception hosted by a lobbyist who is an individual shall be  
589 deemed to have also been hosted by the business organization which  
590 he owns or is employed by, and [(B)] (ii) a reception hosted by a  
591 business organization shall be deemed to have also been hosted by all  
592 owners and employees of the business organization who are lobbyists.  
593 In making the calculation for the purposes of such fifty-dollar limit, the  
594 donor shall divide the amount spent on food and beverage by the  
595 number of persons whom the donor reasonably expects to attend the  
596 reception. As used in this [subdivision] subparagraph, "region of the  
597 state" means the established geographic service area of the  
598 organization hosting the reception;

599 [(12)] (L) A gift, including, but not limited to, food or beverage or  
600 both, provided by an individual for the celebration of a major life  
601 event, provided any such gift provided by an individual who is not a  
602 member of the family of the recipient [shall] does not exceed one  
603 thousand dollars in value;

604 [(13)] (M) Gifts costing less than one hundred dollars in the  
605 aggregate or food or beverage provided at a hospitality suite at a  
606 meeting or conference of an interstate legislative association, by a  
607 person who is not a registrant or is not doing business with the state of  
608 Connecticut;

609 [(14)] (N) Admission to a charitable or civic event, including food  
610 and beverage provided at such event, but excluding lodging or travel  
611 expenses, at which a public official or state employee participates in  
612 his or her official capacity, provided such admission is provided by the  
613 primary sponsoring entity;

614 [(15)] (O) Anything of value provided by an employer of [(A)] (i) a  
615 public official, [(B)] (ii) a state employee, or [(C)] (iii) a spouse of a  
616 public official or state employee, to such official, employee or spouse,  
617 provided such benefits are customarily and ordinarily provided to  
618 others in similar circumstances;

619 [(16)] (P) Anything having a value of not more than ten dollars,  
620 provided the aggregate value of all things provided by a donor to a  
621 recipient under this subdivision in any calendar year [shall] does not  
622 exceed fifty dollars; or

623 [(17)] (Q) Training that is provided by a vendor for a product  
624 purchased by a state or quasi-public agency [which] that is offered to  
625 all customers of such vendor.

626 [(h)] (8) "Immediate family" means any spouse, dependent children  
627 or dependent relatives who reside in the individual's household.

628 [(i)] (9) "Individual" means a natural person.

629 [(j)] (10) "Legislative action" means introduction, sponsorship,  
630 consideration, debate, amendment, passage, defeat, approval, veto,  
631 overriding of a veto or any other official action or nonaction with  
632 regard to any bill, resolution, amendment, nomination, appointment,  
633 report, or any other matter pending or proposed in a committee or in  
634 either house of the legislature, or any matter [which] that is within the  
635 official jurisdiction or cognizance of the legislature.

636 [(k)] (11) "Lobbying" means communicating directly or soliciting  
637 others to communicate with any official or his staff in the legislative or  
638 executive branch of government or in a quasi-public agency, for the  
639 purpose of influencing any legislative or administrative action except  
640 that the term "lobbying" does not include [(1)] (A) communications by  
641 or on behalf of a party to, or an intervenor in, a contested case, as  
642 described in regulations adopted by the [commission] Office of State  
643 Ethics in accordance with the provisions of chapter 54, before an  
644 executive agency or a quasi-public agency, as defined in section 1-79,  
645 as amended by this act, [(2)] (B) communications by a representative of  
646 a vendor or by an employee of the registered client lobbyist which  
647 representative or employee acts as a salesperson and does not  
648 otherwise engage in lobbying regarding any administrative action,  
649 [(3)] (C) communications by an attorney made while engaging in the  
650 practice of law and regarding any matter other than legislative action

651 as defined in [subsection (j)] subdivision (10) of this section or the  
652 proposal, drafting, development, consideration, amendment, adoption  
653 or repeal of any rule or regulation, or [(4)] (D) other communications  
654 exempted by regulations adopted by the [commission] Office of State  
655 Ethics in accordance with the provisions of chapter 54.

656 [(1)] (12) "Lobbyist" means a person who in lobbying and in  
657 furtherance of lobbying makes or agrees to make expenditures, or  
658 receives or agrees to receive compensation, reimbursement, or both,  
659 and such compensation, reimbursement or expenditures are two  
660 thousand dollars or more in any calendar year or the combined  
661 amount thereof is two thousand dollars or more in any such calendar  
662 year. [Lobbyist shall] "Lobbyist" does not include:

663 [(1)] (A) A public official, employee of a branch of state government  
664 or a subdivision thereof, or elected or appointed official of a  
665 municipality or his or her designee other than an independent  
666 contractor, who is acting within the scope of his or her authority or  
667 employment;

668 [(2)] (B) A publisher, owner or an employee of the press, radio or  
669 television while disseminating news or editorial comment to the  
670 general public in the ordinary course of business;

671 [(3)] (C) An individual representing himself or herself or another  
672 person before the legislature or a state agency other than for the  
673 purpose of influencing legislative or administrative action;

674 [(4)] (D) Any individual or employee who receives no compensation  
675 or reimbursement specifically for lobbying and who limits his  
676 activities solely to formal appearances to give testimony before public  
677 sessions of committees of the General Assembly or public hearings of  
678 state agencies and who, if he or she testifies, registers his or her  
679 appearance in the records of such committees or agencies;

680 [(5)] (E) A member of an advisory board acting within the scope of  
681 his or her appointment;

682 [(6)] (F) A senator or representative in Congress acting within the  
683 scope of his or her office;

684 [(7)] (G) Any person who receives no compensation or  
685 reimbursement specifically for lobbying and who spends no more than  
686 five hours in furtherance of lobbying unless such person [(A)] (i)  
687 exclusive of salary, receives compensation or makes expenditures, or  
688 both, of two thousand dollars or more in any calendar year for  
689 lobbying or the combined amount thereof is two thousand dollars or  
690 more in any such calendar year, or [(B)] (ii) expends fifty dollars or  
691 more for the benefit of a public official in the legislative or executive  
692 branch, a member of his or her staff or immediate family;

693 [(8)] (H) A communicator lobbyist who receives or agrees to receive  
694 compensation, reimbursement, or both, the aggregate amount of which  
695 is less than two thousand dollars from each client in any calendar year.

696 [(m)] (13) "Member of an advisory board" means any person  
697 appointed by a public official as an advisor or consultant or member of  
698 a committee, commission or council established to advise, recommend  
699 or consult with a public official or branch of government or committee  
700 thereof and who receives no public funds other than per diem  
701 payments or reimbursement for his or her actual and necessary  
702 expenses incurred in the performance of his or her official duties and  
703 who has no authority to expend any public funds or to exercise the  
704 power of the state.

705 [(n)] (14) "Person" means an individual, a business, corporation,  
706 limited liability company, union, association, firm, partnership,  
707 committee, club or other organization or group of persons.

708 [(o)] (15) "Political contribution" has the same meaning as in section  
709 9-601a except that for purposes of this part, the provisions of  
710 subsection (b) of [that] said section shall not apply.

711 [(p)] (16) "Public official" means any state-wide elected state officer,  
712 any member or member-elect of the General Assembly, any person

713 appointed to any office of the legislative, judicial or executive branch  
714 of state government by the Governor, with or without the advice and  
715 consent of the General Assembly, the spouse of the Governor and any  
716 person appointed or elected by the General Assembly or any member  
717 of either house thereof; but [shall] does not include a member of an  
718 advisory board or a senator or representative in Congress.

719 [(q)] (17) "Registrant" means a person who is required to register  
720 pursuant to section 1-94, as amended by this act.

721 [(r)] (18) "Reimbursement" means any money or thing of value  
722 received or to be received in the form of payment for expenses as a  
723 lobbyist, not including compensation.

724 [(s)] (19) "State employee" means any employee in the executive,  
725 judicial or legislative branch of state government, whether in the  
726 classified or unclassified service and whether full or part-time.

727 [(t)] (20) "Business organization" means a sole proprietorship,  
728 corporation, limited liability company, association, firm or partnership,  
729 other than a client lobbyist, [which] that is owned by, or employs one  
730 or more individual lobbyists.

731 [(u)] (21) "Client lobbyist" means a lobbyist on behalf of whom  
732 lobbying takes place and who makes expenditures for lobbying and in  
733 furtherance of lobbying.

734 [(v)] (22) "Communicator lobbyist" means a lobbyist who  
735 communicates directly or solicits others to communicate with an  
736 official or [his] the official's staff in the legislative or executive branch  
737 of government or in a quasi-public agency for the purpose of  
738 influencing legislative or administrative action.

739 [(w)] (23) "State agency" means any office, department, board,  
740 council, commission, institution, constituent unit of the state system of  
741 higher education, technical high school or other agency in the  
742 executive, legislative or judicial branch of state government.



743 [(x)] (24) "Quasi-public agency" means quasi-public agency, as  
744 defined in section 1-79, as amended by this act.

745 Sec. 15. Subsection (a) of section 1-92 of the general statutes is  
746 repealed and the following is substituted in lieu thereof (*Effective*  
747 *October 1, 2013*):

748 (a) The Citizen's Ethics Advisory Board shall adopt regulations, in  
749 accordance with chapter 54, to carry out the purposes of this part. Such  
750 regulations shall not be deemed to govern the conduct of any judge  
751 trial referee in the performance of such judge trial referee's duties  
752 pursuant to this chapter. Not later than January 1, 1992, the board shall  
753 adopt regulations which further clarify the meaning of the terms  
754 "directly and personally received" and "major life event", as used in  
755 [subsection (e)] subdivision (5) of section 1-79, as amended by this act,  
756 and [subsection (g)] subdivision (7) of section 1-91, as amended by this  
757 act.

758 Sec. 16. Subsection (e) of section 1-92 of the general statutes is  
759 repealed and the following is substituted in lieu thereof (*Effective*  
760 *October 1, 2013*):

761 (e) Upon the concurring vote of a majority of its members present  
762 and voting, the board shall issue advisory opinions with regard to the  
763 requirements of this part or part III of this chapter, upon the request of  
764 any person, subject to the provisions of this part or part III of this  
765 chapter, and publish such advisory opinions in the Connecticut Law  
766 Journal. Advisory opinions rendered by the board, until amended or  
767 revoked, shall be binding on the board and shall be deemed to be final  
768 decisions of the board for purposes of appeal to the [superior court]  
769 Superior Court, in accordance with the provisions of section 4-175 or 4-  
770 183. Any advisory opinion concerning any person subject to the  
771 provisions of this part or part III of this chapter who requested the  
772 opinion and who acted in reliance thereon, in good faith, shall be  
773 binding upon the board, and it shall be an absolute defense in any  
774 criminal action brought under the provisions of this part that the  
775 accused acted in reliance upon such advisory opinion.

776 Sec. 17. Subsection (e) of section 1-96 of the general statutes is  
777 repealed and the following is substituted in lieu thereof (*Effective*  
778 *October 1, 2013*):

779 (e) Each client lobbyist registrant financial report shall be on a form  
780 prescribed by the board and shall state expenditures made and the  
781 fundamental terms of contracts, agreements or promises to pay  
782 compensation or reimbursement or to make expenditures in  
783 furtherance of lobbying. Any such fundamental terms shall be  
784 reported once in the monthly, quarterly or post-termination report  
785 next following the entering into of such contract. Such financial report  
786 shall include an itemized statement of each expenditure of ten dollars  
787 or more per person for each occasion made by the reporting registrant  
788 or a group of registrants which includes the reporting registrant for the  
789 benefit of a public official in the legislative or executive branch, a  
790 member of his staff or immediate family, itemized by date, beneficiary,  
791 amount and circumstances of the transaction. The requirement of an  
792 itemized statement shall not apply to an expenditure made by a  
793 reporting registrant or a group of registrants which includes the  
794 reporting registrant for (1) the benefit of the members of the General  
795 Assembly at an event that is a reception to which all such members are  
796 invited or all members of a region of the state, as such term is used in  
797 [subdivision (11) of subsection (g)] subparagraph (K) of subdivision (7)  
798 of section 1-91, as amended by this act, are invited, unless the  
799 expenditure is thirty dollars or more per person, or (2) benefits  
800 personally and directly received by a public official or state employee  
801 at a charitable or civic event at which the public official or state  
802 employee participates in his official capacity, unless the expenditure is  
803 thirty dollars or more per person, per event. If the compensation is  
804 required to be reported for an individual whose lobbying is incidental  
805 to his or her regular employment, it shall be sufficient to report a  
806 prorated amount based on the value of the time devoted to lobbying.  
807 On the first financial report following registration each client lobbyist  
808 registrant shall include any expenditures incident to lobbying activities  
809 [which] that were received or expended prior to registration and not  
810 previously reported to the Office of State Ethics.

811 Sec. 18. Subsection (a) of section 1-97 of the general statutes is  
812 repealed and the following is substituted in lieu thereof (*Effective*  
813 *October 1, 2013*):

814 (a) No registrant or anyone acting on behalf of a registrant shall  
815 knowingly give a gift, as defined in [subsection (g)] subdivision (7) of  
816 section 1-91, as amended by this act, to any state employee, public  
817 official, candidate for public office or a member of any such person's  
818 staff or immediate family. Nothing in this section shall be construed to  
819 permit any activity prohibited under section 53a-147 or 53a-148.

820 Sec. 19. Subsection (a) of section 1-100b of the general statutes is  
821 repealed and the following is substituted in lieu thereof (*Effective*  
822 *October 1, 2013*):

823 (a) The Office of State Ethics, upon a finding that a communicator  
824 lobbyist has violated the provisions of subsection [(i)] (h) of section 9-  
825 610, may suspend [said] such lobbyist's registration for a period of not  
826 more than the remainder of the term of such registration and may  
827 prohibit [said] such lobbyist from engaging in the profession of  
828 lobbyist for a period of not more than three years.

829 Sec. 20. Subsection (c) of section 1-100b of the general statutes is  
830 repealed and the following is substituted in lieu thereof (*Effective*  
831 *October 1, 2013*):

832 (c) The Office of State Ethics shall make any finding under  
833 subsection (a) or (b) of this section in accordance with the same  
834 procedure set forth in section 1-93 for a finding by the [commission]  
835 board of a violation of part II of chapter 10.

836 Sec. 21. Section 2-16a of the general statutes is repealed and the  
837 following is substituted in lieu thereof (*Effective October 1, 2013*):

838 No state representative or state senator who is elected at the 1994  
839 state election or any election thereafter shall engage in the profession  
840 of lobbyist, as that term is defined in [subsection (l)] subdivision (12) of  
841 section 1-91, as amended by this act, until one year after the expiration

842 of the term for which such state representative or state senator was  
843 elected.

844 Sec. 22. Subsection (b) of section 3-13l of the general statutes is  
845 repealed and the following is substituted in lieu thereof (*Effective*  
846 *October 1, 2013*):

847 (b) For purposes of this section:

848 (1) "Finder's fee" means compensation in the form of cash, cash  
849 equivalents or other things of value paid to or received by a third party  
850 in connection with an investment transaction to which the state, any  
851 political subdivision of the state or any quasi-public agency, as defined  
852 in section 1-120, is a party for any services, and includes, but is not  
853 limited to, any fee paid for lobbying, as defined in [subsection (k)]  
854 subdivision (11) of section 1-91, as amended by this act, and as defined  
855 by the Citizen's Ethics Advisory Board, in consultation with the  
856 Treasurer, in the regulations adopted under subparagraph (C)(ii) of  
857 subdivision (3) of this subsection or as prescribed by the Treasurer  
858 until such regulations are adopted.

859 (2) "Finder's fee" does not mean (A)(i) compensation earned for the  
860 rendering of investment services, as defined in subsection (f) of section  
861 9-612, or for acting as a licensed real estate broker or real estate sales  
862 person under the provisions of section 20-312, or under a comparable  
863 statute of the jurisdiction in which the subject property is located, or  
864 (ii) marketing fees or due diligence fees earned by the payee in  
865 connection with the offer, sale or purchase of any security or  
866 investment interest, in accordance with criteria prescribed under  
867 subparagraph (C)(ii) of subdivision (3) of this subsection, (B)  
868 compensation paid to (i) persons who are investment professionals  
869 engaged in the ongoing business of representing investment services  
870 providers, or (ii) third parties for services connected to the issuance of  
871 debt by the state, any political subdivision of the state or any quasi-  
872 public agency, as defined in section 1-120, and (C) any compensation  
873 which is so defined by the regulations adopted under subparagraph  
874 (C)(ii) of subdivision (3) of this subsection, or any compensation which

875 meets criteria prescribed by the Treasurer until such regulations are  
876 adopted. As used in this section, "offer" and "sale" have the same  
877 meaning as provided in section 36b-3.

878 (3) "Investment professional" means an individual or firm whose  
879 primary business is bringing together institutional funds and  
880 investment opportunities and who (A) is a broker-dealer or investment  
881 adviser agent licensed or registered (i) under the Connecticut Uniform  
882 Securities Act; (ii) in the case of an investment adviser agent, with the  
883 Securities and Exchange Commission, in accordance with the  
884 Investment Advisors' Act of 1940; or (iii) in the case of a broker-dealer,  
885 with the National Association of Securities Dealers in accordance with  
886 the Securities Exchange Act of 1934, or (B) is licensed under section 20-  
887 312, or under a comparable statute of the jurisdiction in which the  
888 subject property is located, or (C) (i) furnishes an investment manager  
889 with marketing services including, but not limited to, developing an  
890 overall marketing strategy focusing on more than one institutional  
891 fund, designing or publishing marketing brochures or other  
892 presentation material such as logos and brands for investment  
893 products, responding to requests for proposals, completing due  
894 diligence questionnaires, identifying a range of potential investors, or  
895 such other services as may be identified in regulations adopted under  
896 clause (ii) of this subparagraph; and (ii) meets criteria prescribed (I) by  
897 the Treasurer until regulations are adopted under this subparagraph,  
898 or (II) by the Citizen's Ethics Advisory Board, in consultation with the  
899 Treasurer, in regulations adopted in accordance with the provisions of  
900 chapter 54. Prior to adopting such regulations, the Citizen's Ethics  
901 Advisory Board shall transmit the proposed regulations to the  
902 Treasurer not later than one hundred twenty days before any period  
903 for public comment on such regulations commences and shall consider  
904 any comments or recommendations the Treasurer may have regarding  
905 such regulations. In developing such regulations, the Citizen's Ethics  
906 Advisory Board shall ensure that the state will not be competitively  
907 disadvantaged by such regulations relative to any legitimate financial  
908 market.

909 Sec. 23. Section 4-250 of the general statutes is repealed and the  
910 following is substituted in lieu thereof (*Effective October 1, 2013*):

911 As used in sections 4-250 to 4-252, inclusive:

912 (1) "Gift" has the same meaning as provided in section 1-79, as  
913 amended by this act, except that the exclusion in [subdivision (12) of  
914 subsection (e)] subparagraph (L) of subdivision (5) of [said] section 1-  
915 79, as amended by this act, for a gift for the celebration of a major life  
916 event [shall] does not apply;

917 (2) "Quasi-public agency", "public official" and "state employee"  
918 have the same meanings as provided in section 1-79, as amended by  
919 this act;

920 (3) "State agency" means any office, department, board, council,  
921 commission, institution or other agency in the executive, legislative or  
922 judicial branch of state government;

923 (4) "Large state contract" means an agreement or a combination or  
924 series of agreements between a state agency or a quasi-public agency  
925 and a person, firm or corporation, having a total value of more than  
926 five hundred thousand dollars in a calendar or fiscal year, for (A) a  
927 project for the construction, alteration or repair of any public building  
928 or public work, (B) services, including, but not limited to, consulting  
929 and professional services, (C) the procurement of supplies, materials or  
930 equipment, (D) a lease, or (E) a licensing arrangement. The term "large  
931 state contract" [shall] does not include a contract between a state  
932 agency or a quasi-public agency and a political subdivision of the state;

933 (5) "Principals and key personnel" means officers, directors,  
934 shareholders, members, partners and managerial employees; and

935 (6) "Participated substantially" means participation that is direct,  
936 extensive and substantive, and not peripheral, clerical or ministerial.

937 Sec. 24. Subsection (b) of section 4e-34 of the general statutes is  
938 repealed and the following is substituted in lieu thereof (*Effective*

939 October 1, 2013):

940 (b) Causes for such disqualification shall include the following:

941 (1) Conviction of, or entry of a plea of guilty or nolo contendere or  
942 admission to, the commission of a criminal offense as an incident to  
943 obtaining or attempting to obtain a public or private contract or  
944 subcontract, or in the performance of such contract or subcontract;

945 (2) Conviction of, or entry of a plea of guilty or nolo contendere or  
946 admission to, the violation of any state or federal law for  
947 embezzlement, theft, forgery, bribery, falsification or destruction of  
948 records, receiving stolen property or any other offense indicating a  
949 lack of business integrity or business honesty which affects  
950 responsibility as a state contractor;

951 (3) Conviction of, or entry of a plea of guilty or nolo contendere or  
952 admission to, a violation of any state or federal antitrust, collusion or  
953 conspiracy law arising out of the submission of bids or proposals on a  
954 public or private contract or subcontract;

955 (4) Accumulation of two or more suspensions pursuant to section  
956 4e-35 within a twenty-four-month period;

957 (5) A wilful, negligent or reckless failure to perform in accordance  
958 with the terms of one or more contracts or subcontracts, agreements or  
959 transactions with state contracting agencies;

960 (6) A history of failure to perform or of unsatisfactory performance  
961 on one or more public contracts, agreements or transactions with state  
962 contracting agencies;

963 (7) A wilful violation of a statutory or regulatory provision or  
964 requirement applicable to a contract, agreement or transaction with  
965 state contracting agencies;

966 (8) A wilful or egregious violation of the ethical standards set forth  
967 in sections 1-84, as amended by this act, [and] 1-86e and 1-101nn, as

968 determined by the Citizen's Ethics Advisory Board; or

969 (9) Any other cause or conduct the board determines to be so  
970 serious and compelling as to affect responsibility as a state contractor,  
971 including, but not limited to:

972 (A) Disqualification by another state for cause;

973 (B) The fraudulent or criminal conduct of any officer, director,  
974 shareholder, partner, employee or other individual associated with a  
975 contractor, bidder or proposer of such contractor, bidder or proposer,  
976 provided such conduct occurred in connection with the individual's  
977 performance of duties for or on behalf of such contractor, bidder or  
978 proposer and such contractor, bidder or proposer knew or had reason  
979 to know of such conduct;

980 (C) The existence of an informal or formal business relationship  
981 with a contractor who has been disqualified from bidding or  
982 proposing on state contracts of any state contracting agency.

983 Sec. 25. Subsection (d) of section 16-2 of the general statutes is  
984 repealed and the following is substituted in lieu thereof (*Effective*  
985 *October 1, 2013*):

986 (d) The directors of the authority shall serve full time and shall  
987 [make full public disclosure of their assets, liabilities and income at the  
988 time of their appointment, and thereafter each member of the authority  
989 shall make such disclosure on or before July thirtieth of each year of  
990 such member's term, and shall file such disclosure with the office of  
991 the Secretary of the State] file a statement of financial interests with the  
992 Office of State Ethics in accordance with section 1-83, as amended by  
993 this act. Each director shall receive annually a salary equal to that  
994 established for management pay plan salary group seventy-five by the  
995 Commissioner of Administrative Services, except that the chairperson  
996 shall receive annually a salary equal to that established for  
997 management pay plan salary group seventy-seven.

998 Sec. 26. Subsection (a) of section 52-259a of the general statutes is



999 repealed and the following is substituted in lieu thereof (*Effective*  
1000 *October 1, 2013*):

1001 (a) Any member of the Division of Criminal Justice or the Division  
1002 of Public Defender Services, any employee of the Judicial Department,  
1003 acting in the performance of such employee's duties, the Attorney  
1004 General, an assistant attorney general, the Consumer Counsel, any  
1005 attorney employed by the Office of Consumer Counsel within the  
1006 Department of Energy and Environmental Protection, the Department  
1007 of Revenue Services, the Commission on Human Rights and  
1008 Opportunities, the Freedom of Information Commission, the Board of  
1009 Labor Relations, the Office of Protection and Advocacy for Persons  
1010 with Disabilities, the Office of the Victim Advocate, the Department of  
1011 Social Services or the Department of Children and Families, the Office  
1012 of State Ethics, or any attorney appointed by the court to assist any of  
1013 them or to act for any of them in a special case or cases, while acting in  
1014 such attorney's official capacity or in the capacity for which such  
1015 attorney was appointed, shall not be required to pay the fees specified  
1016 in sections 52-258, 52-259, and 52-259c, subsection (a) of section 52-  
1017 356a, subsection (a) of section 52-361a, section 52-367a, subsection (b)  
1018 of section 52-367b and subsection (n) of section 46b-231.

1019 Sec. 27. Subsection (d) of section 15-120bb of the general statutes is  
1020 repealed and the following is substituted in lieu thereof (*Effective*  
1021 *October 1, 2013*):

1022 (d) The board of directors of the authority shall appoint an executive  
1023 director who shall not be a member of the board and who shall serve at  
1024 the pleasure of the board and receive such compensation as shall be  
1025 fixed by the board. The executive director shall be the chief  
1026 administrative officer of the authority and shall direct and supervise  
1027 administrative affairs and technical activities in accordance with the  
1028 directives of the board. The executive director shall approve all  
1029 accounts for salaries, allowable expenses of the authority or of any  
1030 employee or consultant thereof, and expenses incidental to the  
1031 operation of the authority. The executive director shall perform such

1032 other duties as may be directed by the board in carrying out the  
1033 purposes of [subsection (l)] subdivision (12) of section 1-79, as  
1034 amended by this act, sections 1-120, 1-124 and 1-125, subsection (f) of  
1035 section 4b-3, sections 13b-4 and 13b-42, subsection (a) of section 13b-44  
1036 and sections 15-101aa and 15-120aa to 15-120oo, inclusive. The  
1037 executive director shall be exempt from the classified service. The  
1038 executive director shall attend all meetings of the board, keep a record  
1039 of the proceedings of the authority and shall maintain and be  
1040 custodian of all books, documents and papers filed with the authority  
1041 and of the minute book or journal of the authority and of its official  
1042 seal. The executive director may cause copies to be made of all minutes  
1043 and other records and documents of the authority and may give  
1044 certificates under the official seal of the authority to the effect that such  
1045 copies are true copies, and all persons dealing with the authority may  
1046 rely upon such certificates.

1047 Sec. 28. Subsection (f) of section 15-120*ll* of the general statutes is  
1048 repealed and the following is substituted in lieu thereof (*Effective*  
1049 *October 1, 2013*):

1050 (f) The Comptroller may establish such funds and accounts for the  
1051 authority as may be requested by the authority or as may be necessary  
1052 or appropriate to effect the terms of any memorandum of  
1053 understanding or as may be convenient to effect the purposes of  
1054 [subsection (l)] subdivision (12) of section 1-79, as amended by this act,  
1055 sections 1-120, 1-124 and 1-125, subsection (f) of section 4b-3, sections  
1056 13b-4 and 13b-42, subsection (a) of section 13b-44 and sections 15-101aa  
1057 and 15-120aa to 15-120oo, inclusive, including, without limitation, a  
1058 fund to support the general aviation airports and a fund for the  
1059 authority's general operations. All revenue from the licensing of state  
1060 airports and use of services of the authority shall be paid into the fund  
1061 established for the authority's general operations, to be used by the  
1062 authority according to the authority's budget for its authorized  
1063 purposes.

1064 Sec. 29. Section 1-96d of the general statutes is repealed and the

1065 following is substituted in lieu thereof (*Effective October 1, 2013*):

1066 Each registrant or business organization that hosts a legislative  
 1067 reception to which all members are invited, or all members of a region  
 1068 in the state, as such term is used in [subdivision (11) of subsection (g)]  
 1069 subparagraph (K) of subdivision (7) of section 1-91, as amended by this  
 1070 act, are invited, shall include in its invitation or any published notice of  
 1071 such reception whether the registrant or business organization  
 1072 reasonably expects such expenditures to be reportable pursuant to  
 1073 subsection (e) of section 1-96, as amended by this act.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2013</i>	1-79
Sec. 2	<i>from passage</i>	1-80(a)
Sec. 3	<i>October 1, 2013</i>	1-80(b)
Sec. 4	<i>October 1, 2013</i>	1-80(d)
Sec. 5	<i>October 1, 2013</i>	1-80(k)
Sec. 6	<i>October 1, 2013</i>	1-81
Sec. 7	<i>from passage</i>	1-82(e)
Sec. 8	<i>October 1, 2013</i>	1-83(a)
Sec. 9	<i>October 1, 2013</i>	1-84(j)
Sec. 10	<i>October 1, 2013</i>	1-84(m)
Sec. 11	<i>from passage</i>	1-84(q)
Sec. 12	<i>October 1, 2013</i>	1-84c
Sec. 13	<i>October 1, 2013</i>	1-88(d)
Sec. 14	<i>October 1, 2013</i>	1-91
Sec. 15	<i>October 1, 2013</i>	1-92(a)
Sec. 16	<i>October 1, 2013</i>	1-92(e)
Sec. 17	<i>October 1, 2013</i>	1-96(e)
Sec. 18	<i>October 1, 2013</i>	1-97(a)
Sec. 19	<i>October 1, 2013</i>	1-100b(a)
Sec. 20	<i>October 1, 2013</i>	1-100b(c)
Sec. 21	<i>October 1, 2013</i>	2-16a
Sec. 22	<i>October 1, 2013</i>	3-131(b)
Sec. 23	<i>October 1, 2013</i>	4-250
Sec. 24	<i>October 1, 2013</i>	4e-34(b)
Sec. 25	<i>October 1, 2013</i>	16-2(d)
Sec. 26	<i>October 1, 2013</i>	52-259a(a)

Sec. 27	October 1, 2013	15-120bb(d)
Sec. 28	October 1, 2013	15-120ll(f)
Sec. 29	October 1, 2013	1-96d

**Statement of Legislative Commissioners:**

In section 1(5)(L) and (O) "does" was substituted for "shall" and in section 1(5)(Q) and (15) "that" was substituted for "which" to conform with the changes being made in section 14. In section 2(a), "for a term commencing" was inserted in the sentence that references October 1, 2014, for clarity.

**GAE**      *Joint Favorable Subst. -LCO*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

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***OFA Fiscal Note******State Impact:*** None***Municipal Impact:*** None***Explanation***

The bill, which makes minor and technical revisions to the state ethics statutes, has no fiscal impact.

***The Out Years******State Impact:*** None***Municipal Impact:*** None

**OLR Bill Analysis****sSB 900*****AN ACT CONCERNING REVISIONS TO THE STATE CODES OF ETHICS.*****SUMMARY:**

This bill makes several changes to the State Codes of Ethics for Public Officials and Lobbyists. It expands the codes' exemption for gifts to the state to include goods or services that support participation by a public official or a state employee at an event that furthers a state or quasi-public agency function.

With respect to the Citizen's Ethics Advisory Board (CEAB), the bill (1) expands the board's administration and enforcement of the code, (2) reconfigures board members' terms of office, and (3) allows people who sought or held positions as justices of the peace and notaries public to serve on the board.

The bill also requires that a public official or state employee act with specific intent before he or she may be found to violate the Code of Ethics for counseling, authorizing, or otherwise sanctioning actions that the code prohibits. It expands the grounds for contractor disqualification by the State Contracting Standards Board (SCSB) and makes contractors, consultants, and certain other people liable for damages if they violate the law on unethical bidding or contracting practices to advance their own financial interests.

Lastly, the bill (1) revises certain financial and Office of State Ethics (OSE) reporting requirements, (2) exempts OSE attorneys from paying court fees when acting in their official capacity, and (3) makes technical and conforming changes.

EFFECTIVE DATE: October 1, 2013; except that provisions relating

to CEAB member terms, counseling or sanctioning a violation of the code, and certain technical changes are effective upon passage.

## **§§ 1, 14 — GIFTS TO THE STATE**

The bill expands the State Codes of Ethics' exemption for gifts to the state to include goods or services that support participation by a public official or state employee at an event that facilitates a state or quasi-public agency's action or function. The law allows a state or quasi-public agency to accept goods or services (1) for use on agency property or that support an event and (2) that facilitate agency actions or functions. By law, lobbyists and people seeking to or doing business with the state generally cannot give gifts to public officials and state employees.

## **CITIZEN'S ETHICS ADVISORY BOARD**

### **§§ 2, 3 — *Terms and Composition***

By law, the board and OSE staff are responsible for enforcing the codes, including advising those subject to it. The bill staggers the nine board members' terms of office in a way that prevents more than three terms from expiring in a single year.

By law, each board member is appointed to one four-year term. Under current law, once every four years, four members' terms expire. Under the bill, two members appointed to terms that began on October 1, 2009 will each serve one five-year term, and subsequent appointments to those positions are for four years. The result of this reconfiguring is that, in any four-year period, the board will have three years with two vacancies to fill and one year with three vacancies to fill (see Table 1).

**Table 1: CEAB Member Term Expiration Dates**

<i><b>Term Expiration Date</b></i>	<i><b>Number of Terms Expiring</b></i>	
	<i><b>Current Law</b></i>	<i><b>The Bill</b></i>
September 30, 2013	4	2
September 30, 2014	0	2
September 30, 2015	3	3
September 30, 2016	2	2

The bill allows people who sought or held positions as justices of the peace and notaries public to serve on the board. By law, board members and OSE employees may not (1) hold or campaign for public office or have held or campaigned for public office in the three years prior to appointment, (2) hold office in a political party or committee, or (3) be a registered lobbyist or member of a lobbying organization.

### **§§ 6, 16 — CEAB Authority**

The bill authorizes CEAB to administer and enforce all parts of the code by giving it explicit authority to issue advisory opinions on miscellaneous lobbyist provisions (Part III of the code) and ethical considerations concerning bidding and state contracts (Part IV of the code).

## **§ 11 — ETHICS CODE VIOLATIONS**

### ***Specific Intent Required***

The bill requires an intentional act before a public official or state employee may be found in violation of the Code of Ethics for counseling, authorizing, or otherwise sanctioning actions that the code prohibits. By law, people who intentionally violate the code are guilty of a class A misdemeanor, punishable by up to one year in prison, a fine of up to \$2,000, or both, for a first violation (or a class D felony if the violator derived a financial benefit of at least \$1,000 from the violation) and a class D felony for subsequent violations. A class D felony is punishable by up to five years in prison, a fine of up to \$5,000, or both.

## **STATE CONTRACTORS AND CONSULTANTS**

### **§ 13 — *Penalties for Violations***

The bill makes state contractors and potential state contractors liable to the state for damages if they:

1. solicit undisclosed information for their competitive advantage;
2. intentionally or recklessly charge the state or a quasi-public agency for unperformed work or undelivered goods;



3. intentionally try to circumvent competitive bidding or ethics laws;
4. intentionally provide, or get others to provide, goods or services in order to unduly influence the award of a state contract; or
5. when serving as a consultant on a contract, act as a consultant for anyone bidding on that contract.

Under the bill, damages equal the amount of the financial advantage. Additionally, the bill requires OSE to immediately inform the attorney general of the violation.

The bill subjects state consultants and independent contractors to the same penalty if they benefit financially from (1) abusing their contractual authority, (2) accepting another state contract that impairs their judgment on the first contract, or (3) accepting anything of value on the understanding that a person acting on the state's behalf would be influenced. Lastly, it subjects to the same penalty anyone who gives anything of value to a state consultant or independent contractor with the understanding that the consultant or contractor, acting on behalf of the state, would be influenced.

#### **§ 24 — Contractor Disqualification**

The bill authorizes the SCSB to disqualify a contractor who is deemed a nonresponsible bidder (a contractor or potential contractor who commits the acts listed under § 13 above) under the Code of Ethics. By law, SCSB can disqualify a contractor, that it finds seriously or compellingly irresponsible, from bidding on, applying for, or participating as a contractor or subcontractor on a state contract for up to five years.

### **OTHER PROVISIONS**

#### **§§ 6, 8, 25 — Reporting Requirements**

The bill (1) requires OSE to submit its annual activity report to the governor two months earlier, by February 15 rather than April 15 each year; (2) allows public officials and employees who must file a

statement of financial interests to do so on the first business day after May 1 if May 1 falls on a weekend or legal holiday; and (3) requires the Public Utilities Regulatory Authority directors to file a statement of financial interests with OSE, by May 1, instead of a financial disclosure statement with the secretary of the state by July 30.

**COMMITTEE ACTION**

Government Administration and Elections Committee

Joint Favorable

Yea    14    Nay   0    (03/27/2013)